Labour Market

NOTES ■ November 2012

Fourth straight month of job gains, unemployment rate remains lowest in country

Alberta

- Job growth picks up. Alberta added 5,000 jobs in October, following a 2,100 gain in September. This was the fourth consecutive month of job increases and the eighth increase this year. October's improvement was due to new part-time positions (3,800) and full-time positions (1,200). Alberta has gained 36,500 jobs since October 2011, representing a 1.7% increase. On a year-to-date basis, Alberta leads the country with a 2.8% increase.
- Unemployment rate remains lowest in Canada. Alberta's unemployment rate edged up 0.1 percentage points to 4.5% in October, as more people searched for work. The unemployment rate sits well below the national average of 7.4%.
- Professional services lead monthly job gains. The employment increase was led by the professional, scientific and technical services industry with a gain of 17,400. The other big gain came from manufacturing (8,300). Industries posting the largest losses were transportation and warehousing (-11,700), construction (-5,100) and agriculture (-4,900).
- Weekly earnings edge back in August. Average weekly earnings decreased 0.4% in August, partly offsetting an impressive 2.0% gain in July. Alberta employees earned on average $1,084 per week in August, $177 higher than the national average. Earnings were up 3.2% compared with the same month last year.

Canada

- National job numbers virtually unchanged. Canada gained only 1,800 jobs in October, as half of the provinces posted job losses. Employment growth was concentrated in Quebec (20,100) and Alberta (5,000), while British Columbia (-10,900) and Ontario (-9,900) posted the largest losses. Canada has added 176,400 jobs (1.0%) year-to-date.
- Unemployment rate holds steady. The Canadian unemployment rate was unchanged at 7.4% from the previous month, and has shown very little movement over the last year.
- Weekly earnings continue to climb. Canadian average weekly earnings were $907 in August, up a solid 3.6% compared with the same month last year.

For definitions of the data indicators discussed in this publication, please see the second page of August's Labour Market Notes

Employment Growth by Province, October 2012 vs. October 2011

Source: Statistics Canada

Alberta Labour Market Indicators

Indicator	October or Latest*
Employment	2,161,000
month-over-month change	5,000
year-over-year % change	1.7%
Alberta Unemployment Rate (UR)	4.5%
Edmonton UR**	4.2%
Calgary UR**	4.8%
Participation Rate	73.1%
Average Weekly Earnings (AWE)	$1,084.26
year-over-year % change	3.2%
Average Hourly Wage	$27.50
year-over-year % change	6.6%
Job Vacancy Rate**	3.2%

Source: Statistics Canada

* All data is from the Labour Force Survey for October except AWE, which is from the August Survey of Employment, Payrolls and Hours (SEPH), and the job vacancy rate which is from the July SEPH.

** This indicator is calculated as a three-month moving average.

Goods sector fuels Alberta's labour market

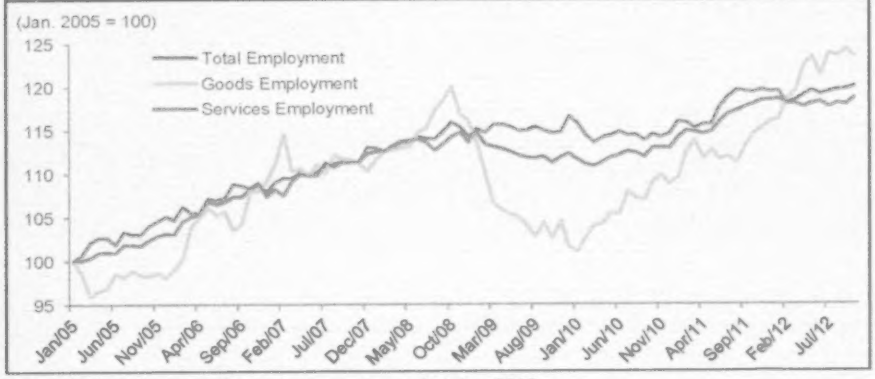
Alberta's labour market continues to expand, creating more jobs than any other province so far this year. Looking at the details, the goods producing sector, which includes agriculture, oil and gas, construction and manufacturing, has accounted for the bulk of the job gains in 2012.

Post recession job growth has come largely from the goods sector

The goods producing sector makes up less than 30% of total employment in Alberta, but has accounted for over 80% of Alberta's job gains so far this year. This growth is not confined to 2012, but rather it is a continuation of a trend that began after the recession in early 2010. The sector replaced all the jobs lost during the recession by April 2012 and has continued to post solid gains (chart 1).

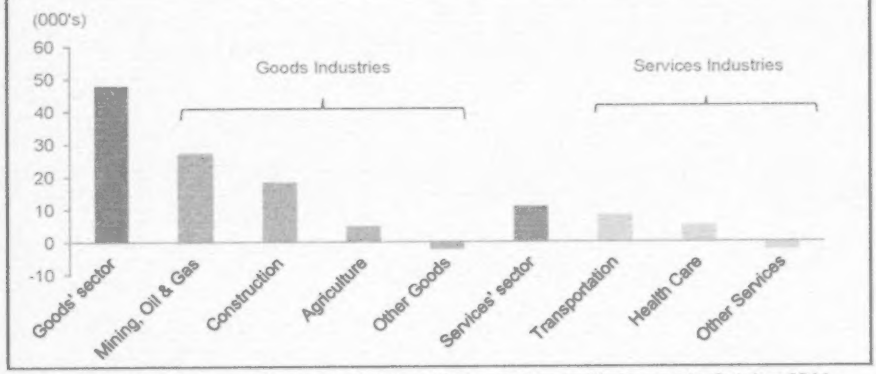
The unemployment rate reinforces the view that the labour market has strengthened considerably in the goods sector over the last three years. After reaching a cyclical peak of 9% in the spring of 2009, the goods sector unemployment rate has plunged to around 3% this year. In contrast the service sector has seen its unemployment rate fall more moderately since its cyclical peak of 5.9%.

Chart 1: Alberta's Job Growth



Source: Statistics Canada. Last observation is October 2012.

Chart 2: Alberta's Year-to-Date Job Growth by Sector and Industry*



Source: Statistics Canada. *January to October 2012 compared with January to October 2011.

For a complete breakdown of what industries fall into the goods or services sector please refer to the following Statistics Canada website

Oil and gas industry is the employment growth leader

Robust activity in the energy sector, particularly in the oil sands, continues to drive employment growth in Alberta. The mining, oil and gas industry is the stand out jobs leader, with a 18% gain in employment in the first ten months of 2012 compared with the same time last year. This represents 46% of Alberta's year to date job growth. Construction, up 9% year-to-date, is another high growth sector, benefiting from increased energy investment and growth in the overall economy. Agriculture and utilities are also up strongly year-to-date (chart 2).

Services sector job growth moves sideways

Job growth in the service producing sector has been relatively modest over the last three years. The composition of the service sector is very broad at the industry level, from transportation services to health care to public administration and retail trade. Year-to-date employment growth is only 0.7% for the services sector, well below the goods sector's 8.3%. The professional, scientific, and technical services industry and the information, culture and recreation industry have weighed on service sector employment.

Conclusion

Alberta's employment growth since the last recession has largely been driven by the goods sector. This trend has continued into 2012, with the goods industries accounting for over 80% of the province's job gains so far this year. Oil and gas has outperformed all industries in jobs growth this year. Somewhat surprisingly, service sector employment has remained relatively flat despite strong net migration into the province and robust gains in consumer spending.

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